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and Trace Technologies, LLC, Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

GABRIEL TECHNOLOGIES CORP. et al.,

Debtors.

E.I.N.s 22-3062052; 20-1711149

Case No. 13-30340 - DM
(Case no. 13-30341)

Chapter 11
(Jointly Administered)

Date: May 17, 2013
Time: 10:00 a.m.
Court: Courtroom No. 22
235 Pine Street, 22nd Floor
San Francisco, CA
Judge: Honorable Dennis Montali

**DECLARATION OF JONATHAN PIURKO IN OPPOSITION
TO QUALCOMM INCORPORATED'S MOTION FOR
CONVERSION OR APPOINTMENT OF A CHAPTER 11 TRUSTEE**

I, JONATHAN PIURKO, declare:

1. I am the Managing Director and Chief Legal Officer of Northwater Capital Management, Inc. which manages Northwater Intellectual Property Fund L.P. 3A ("Northwater"), a secured creditor of Gabriel Technologies Corporation, a Delaware corporation, and Trace Technologies, LLC, a Nevada limited liability company (collectively, the "Debtors"), the debtors-in-possession herein. In such capacity, I have personal knowledge of each of the facts stated herein, except as otherwise stated below, and could testify thereto if called upon to do so in a court of law.

2. I make this declaration in support of the *Debtors' Opposition to Qualcomm*

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1 *Incorporated's Motion For Conversion Or Appointment of a Chapter 11 Trustee* (the "Debtors'
2 Opposition"), filed concurrently herewith by the Debtors.

3 3. Northwater is a prepetition creditor of the Debtors, having advanced funds to the
4 Debtors in excess of \$3,300,000. Under the terms of the loan agreement between Northwater and the
5 Debtors, Northwater is presently owed an amount in excess of \$15,000,000. Northwater's claim is
6 secured by a security interest in all of the Debtors' personal property.

7 4. Northwater has negotiated extensively with the Debtors and with the Official
8 Committee of Unsecured Creditors appointed in these cases (the "Committee"), as well as with other
9 creditors, with regard to a restructuring and reorganization of the Debtors in these pending chapter 11
10 cases. The product of those negotiations is the *Debtors' Joint Plan of Reorganization (Dated*
11 *April 24, 2013)*, filed by the Debtors on April 24, 2013 (the "Plan," docket no. 81).

12 5. Northwater fully supports confirmation of the Plan and believes that it is in the best
13 interests of creditors of the Debtors. Further, Northwater has agreed to provide funding to the
14 Reorganized Debtor, upon confirmation and effectiveness of the Plan, upon the terms and conditions
15 of the Plan, as the "Reorganization Lender."

16 6. Northwater does not believe that conversion of the Debtors' cases to chapter 7, or the
17 appointment of a chapter 11 trustee, would be in the best interests of creditors. Rather, Northwater
18 believes that the plan confirmation process should be allowed to proceed, and the Debtors should be
19 permitted to prosecute their appeals of the judgments and orders issued by the United States District
20 Court in San Diego, California in favor of Qualcomm Incorporated.

21 7. I declare under penalty of perjury that the foregoing is true and correct, and that this
22 declaration was executed on April 26, 2013 at Toronto, Ontario, Canada.

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25 JONATHAN PIURKO
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